(d) what is the extent to which Indian economy has received a boost from foreign investors in India after the liberalised policy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The total amount of loans taken by the Government from international agencies including IMF and World Bank works out to Rs. 3603 crores, Rs. 3625 crores and Rs. 6831 crores during 1988-89, 1989-90 and 1990-91 respectively.

(b) In the current financial year, the stance of monetary policy has been restrictive. But with the recent decline in the annual rate of inflation, the interest rates on post-shipment credit and on credit limits of over Rs.2 lakh of the scheduled commercial banks have been brought down by one percentage point. These measures would enable the banks to expand their flow of credit for production and trade in the private sector. However it remains desirable to maintain a cautious monetary policy so long as problem of inflation and adverse balance of payments exists.

(c) The Government has recently undertaken a number of structural reform measures in the spheres of trade, industry, financial and public sector. These policies are designed to increase overall efficiency and productivity by imparting dynamism and competitiveness in the system. Assuming a normal monsoon, the prospect of Indian growth during the year 1992-93 is considered to be bright.

(d) Although it is too early to expect a substantial inflow of foreign investment resulting from the liberalised policy changes, the response of the new foreign investment policy measures has been encouranging so far. The overseas investment approvals reached a peak of Rs. 522 crores during 1991 (including approvals given by the Reserve Bank of India up to December 22, 1991) as against only Rs. 128 crores during 1990.

F.E.R.A. Provisions on activities of foreign companies

1969. SHRI VITHALBHAI M. PATEL: SHRI KRISHNA KUMAR BIRLA
CHOWDHRY HARI SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has scrapped some provisions of the Foreign Exchange Regulation Act concerning control on the activities of foreign companies;

(b) if so, which are the provisions that have been scrapped and what are the reasons therefore;

(c) whether it is necessary to amend the F.E.R.A. before scrapped; and

(d) what is the expected foreign investment in terms of foreign exchange by FERA firm as a result of lifting of curbs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) No, Sir. However, Reserve Bank of India have recently issued Notifications removing certain restrictions on FERA companies in matters of accepting deposits or borrowing money, use of trade marks, opening of Branch offices, acquisition of immovable property etc.

(c) No, Sir.

(d) It is not possible to make an estimate of foreign investment expected as a result of liberalisations in FERA.

Appointment of Officer Nominee on Bank Boards

1970. SHRI GURUDAS DAS GUPTA: SHRI CHATURANAN MISHRA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have appointed officer nominee as director on the Boards of nationalised banks;

(b) if so, the names of Directors as well as of Banks;